

# HOUSE BILL REPORT

## ESSB 5470

---

### As Reported by House Committee On:

Health Care  
Appropriations

**Title:** An act relating to importation of prescription drugs from Canadian, United Kingdom, Irish, and other nondomestic wholesalers.

**Brief Description:** Allowing the importation of certain prescription drugs from nondomestic wholesalers.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Franklin, Thibaudeau, Keiser, Kline, Poulsen, Berkey, Haugen, McAuliffe, Rockefeller, Shin and Kohl-Welles; by request of Governor Gregoire).

### Brief History:

#### Committee Activity:

Health Care: 3/18/05, 3/22/05 [DP];  
Appropriations: 3/28/05, 4/2/05 [DPA].

#### Brief Summary of Engrossed Substitute Bill (As Amended by House Committee)

- The Board of Pharmacy will submit a waiver request to the federal Food and Drug Administration seeking authorization to license foreign drug wholesalers.

---

### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

**Staff:** Dave Knutson (786-7146).

### Background:

The Department of Health (DOH) currently licenses pharmacies located in Washington, and out-of-state pharmacies that provide services to Washington residents. The DOH maintains

reciprocal licensing agreements with other state's pharmacy licensing authorities. The DOH does not license pharmacies located in foreign countries.

---

**Summary of Bill:**

The Board of Pharmacy, in consultation with the DOH and the Health Care Authority, will submit a waiver request to the federal Food and Drug Administration that will authorize the State of Washington to license Canadian, United Kingdom, Irish, and other nondomestic prescription drug wholesalers under RCW 18.64.046. This will provide retail pharmacies licensed in Washington the opportunity to purchase prescription drugs from approved wholesalers and pass those savings on to consumers. By December 1, 2005, the Board of Pharmacy will submit a detailed implementation plan to the Governor and appropriate committees of the Legislature that includes the mechanisms that the board will use to implement each component of the federal waiver.

---

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** (In support) Prescription drugs are too expensive for many Americans. Our citizens should be able to take advantage of lower prescription drug prices in other countries. (With concerns) Some drugs are too sensitive and unstable to ship from one country to another. These classes of drugs should be excluded from any importation scheme.

**Testimony Against:** None.

**Persons Testifying:** (In support) Senator Franklin, prime sponsor; Mike Kriedler, Insurance Commissioner; Christina Hulet, Governor's Office; Duane Thurman, Health Care Authority; Steve Saxes, Department of Health and Board of Pharmacy; Lauren Moughon, American Association of Retired Persons of Washington; Art Zoloth, Northwest Pharmacy Services; and Allen Morrow, Senior Citizen's Lobby.

(With concerns) Steve Gano, Baxter Health Care.

**Persons Signed In To Testify But Not Testifying:** None.

---

**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** Do pass as amended. Signed by 23 members: Representatives Sommers, Chair; Fromhold, Vice Chair; McDonald, Assistant Ranking Minority Member; Buri,

Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest and Schual-Berke.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey, Talcott and Walsh.

**Staff:** Amy Hanson (786-7118).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:**

The Board of Pharmacy is to submit the detailed implementation plan after approval of the federal waiver rather than by December 1, 2005.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This bill represents one strategy in the Governor's thinking about how we can reduce the cost of prescription drugs. We recognize that the Food and Drug Administration may not grant our request, but we think it is an important enough issue to raise it to that level and there is movement at the federal level on this issue.

**Testimony Against:** None.

**Persons Testifying:** Christine Hulet, Governor's Office.

**Persons Signed In To Testify But Not Testifying:** None.